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What Influences

Off-Farm Grain Sales in Missouri?

by Francis P. Yager

FARMER COOPERATIVE SERVICE
U. S. DEPARTMENT OF AGRICULTURE

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Joseph G. Knapp, Administrator

The Farmer Cooperative Service conducts research studies and service activities of assistance to farmers in connection with cooperatives engaged in marketing farm products, purchasing farm supplies, and supplying business services. The work of the Service relates to problems of management, organization, policies, merchandising, product quality, costs, efficiency, financing, and membership.

The Service publishes the results of such studies; confers and advises with officials of farmer cooperatives; and works with educational agencies, cooperatives, and others in the dissemination of information relating to cooperative principles and practices.

This study was conducted under authority of the Agricultural Marketing Act of 1946 (RMA, Title II).

Contents

	Page
Highlights	v
Description of areas studied	3
What factors affect off-farm grain movement?	5
Grain volume	5
Buyer's facilities, services, location	6
How important are individual factors?	10
Price and contract selling	12
Speed of unloading	12
Storage services	12
Sideline services	13
Elevator managers and employees	13
Grades, weights, and settlement	14
Distance to elevator and type of road	15
Business - cooperative or other	15
Other trading in town	16

Highlights

Increased off-farm grain sales in Missouri have created new problems for both farmers and elevator operators.

Farmer Cooperative Service and the University of Missouri collected data from farmers in four areas in Missouri concerning (1) their off-farm grain marketing, and (2) the services and facilities they consider important when they select a grain buyer. Operators of cooperative elevators and others were then asked what services and facilities they consider important in obtaining grain volume.

The survey showed:

- Approximately 61 percent of the grain volume in four Missouri areas studied moved off the farm during harvest in 1957-58. Ninety-one percent of the farmers interviewed produced and moved wheat off the farm that year.

- An estimated 78 percent of grain receipts at local elevators was delivered in loads ranging upward to 150 bushels.

- Ninety-six percent of the farmers said they would not be willing to accept a price discount to get grain unloaded immediately during the harvest season, if the waiting time was as much as 15 minutes.

- Approximately 75 percent of the farmers rated price and distance to the nearest elevator important in determining the place of grain delivery. Eighty-nine percent of the elevator operators thought price was important; only 44 percent, distance.

- Sixty-six percent of the farmers and 86 percent of the elevator operators considered speed of unloading as being important in selecting an elevator.

- Almost all elevator operators thought proper grading one of the most important factors in the minds of farmers in deciding to market grain at a particular elevator. But only 53 percent of the farmers indicated this had much influence.

- More than 80 percent of the elevator operators rated sideline services and fair treatment as important to farmers. Again there was a wide difference of opinion between farmers and elevator operators. Only 24 percent of the farmers rated sideline services as particularly important, and 49 percent fair treatment.

What Influences Off-Farm Grain Sales in Missouri?

by Francis P. Yager
Grain Branch
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Missouri farmers have made many changes in their grain harvesting and marketing operations in recent years.

Improvements in farming techniques have brought greater production of corn, soybeans, grain sorghum, and wheat. This, in turn, has led to increased off-farm marketing (figure 1). Government programs, such as price supports and acreage controls, as well as changes in price levels, have had their effect.

These developments have created new problems. Today the farmer in Missouri wears many hats - not necessarily one at a time but several at the same time. He must be a manager, a businessman, a financier, in addition to being a farmer, and he must be constantly alert to changing conditions so he can adjust his farming operations to meet them.

Naturally, a farmer wants to sell his grain at the highest possible price and at the same time take advantage of the best elevator service available to him. This challenges the elevator operator to provide facilities that will influence farmers to deliver their grain to him.

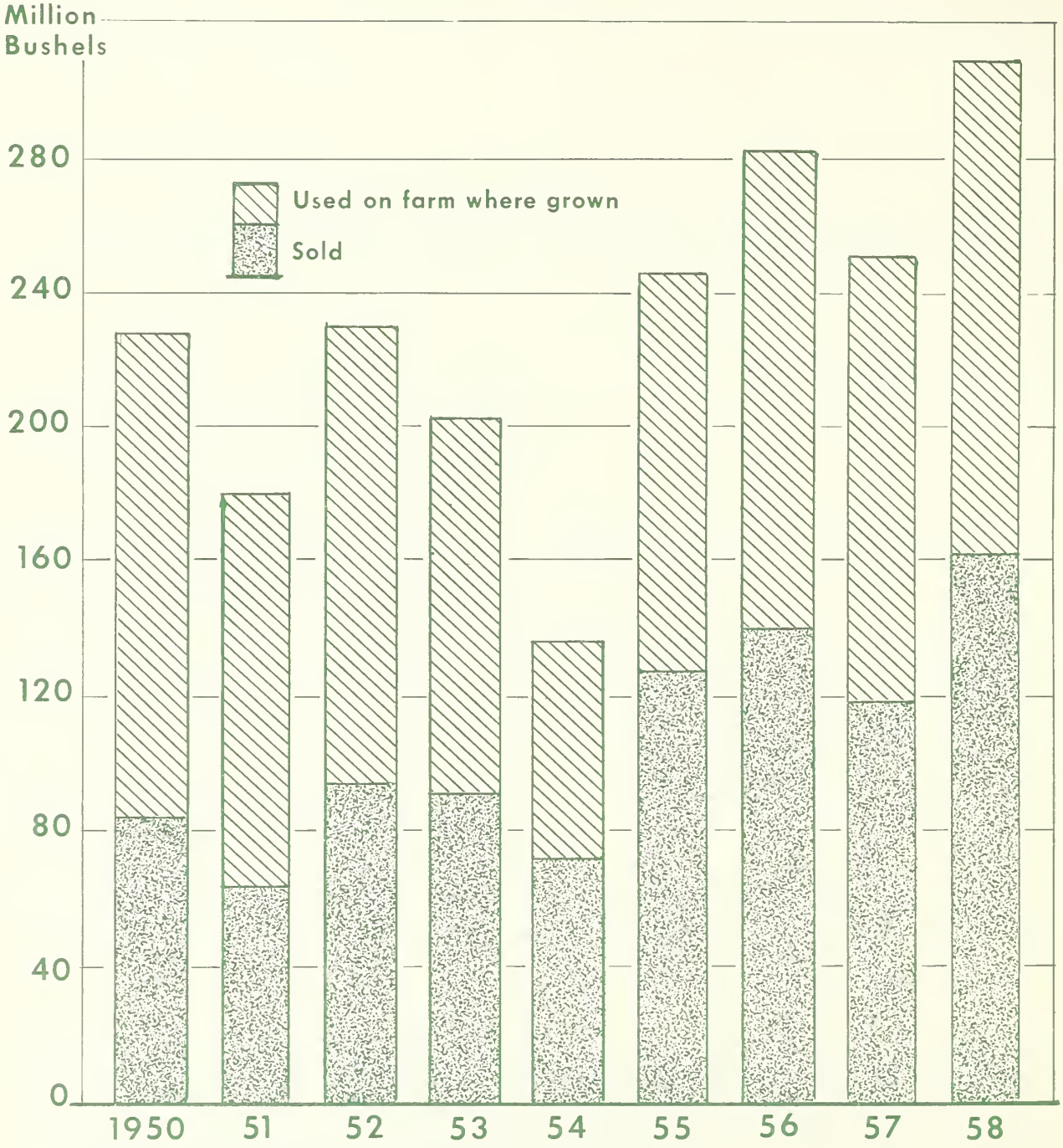
This publication is the result of a survey to determine why farmers sell their grain to a particular elevator and what services they consider most important. It is based on interviews with farmers and operators of cooperative and other elevators in four Missouri areas.

The first part deals with conditions affecting off-farm grain movements and with variations in elevator facilities. In the second part, farmers and elevator operators rate the importance of factors influencing grain deliveries.

Note: Acknowledgment is made to the farmers who provided information for this study and to the elevator operators for their time, help, and consideration. Appreciation is extended to Wendell McKinsey and D. N. Harrington, Department of Agricultural Economics, University of Missouri, and to Stanley Thurston, Commodity Stabilization Service, U. S. Department of Agriculture, for their assistance in early planning.

Figure 1

Production and Farm Disposition of Grain*, Missouri 1950-58



*Wheat, corn, soybeans and grain sorghum

Description of Areas Studied

Study areas for this report were selected on the basis of grain production, off-farm grain sales, type of farming, number and size of commercial grain facilities and their location in relation to roads, railroads, and terminal markets.

Four areas were chosen (figure 2) and Farmer Cooperative Service and University of Missouri representatives interviewed 196 farmers in 1957-58. The area sampling method -- use of small areas of land as sampling units -- was used in selecting the farmers for interviewing.

The number of farmers in each area was:

Area	Number of farmers interviewed
I	49
II	50
III	49
IV	48

Farmers interviewed included 114 owners, 44 tenants, and 38 who both owned and rented land (table 1).

For the purpose of analysis, the areas were classified according to type of farming.[1] Areas I and II are in the northwest and Area III in the northeast meat production region. Area IV is in the western grain region.

The types of farming in Missouri are the results of the interaction of physical, economic, and social forces. In general, deficit feed areas exist south of the Missouri River and surplus areas north of the river. The general type of farm is the most common throughout the State.

The land in each area is level to gently rolling with varying degrees of fertility. Major grain crops are corn, wheat, soybeans, and grain sorghum. Climate and soil are favorable for these crops as well as for other small grains. Soybeans and grain sorghum have grown in importance in recent years.

In 1957, corn was the primary crop in all four areas. Grain sorghum was in second place in Area I, wheat in Areas II and IV, and soybeans in Area III.

[1]Hammar, Conrad, H., and Roth, Walter J. TYPES OF FARMING IN MISSOURI. Agr. Exp. Sta. Bul. 284. Univ. of Mo., May 1938.

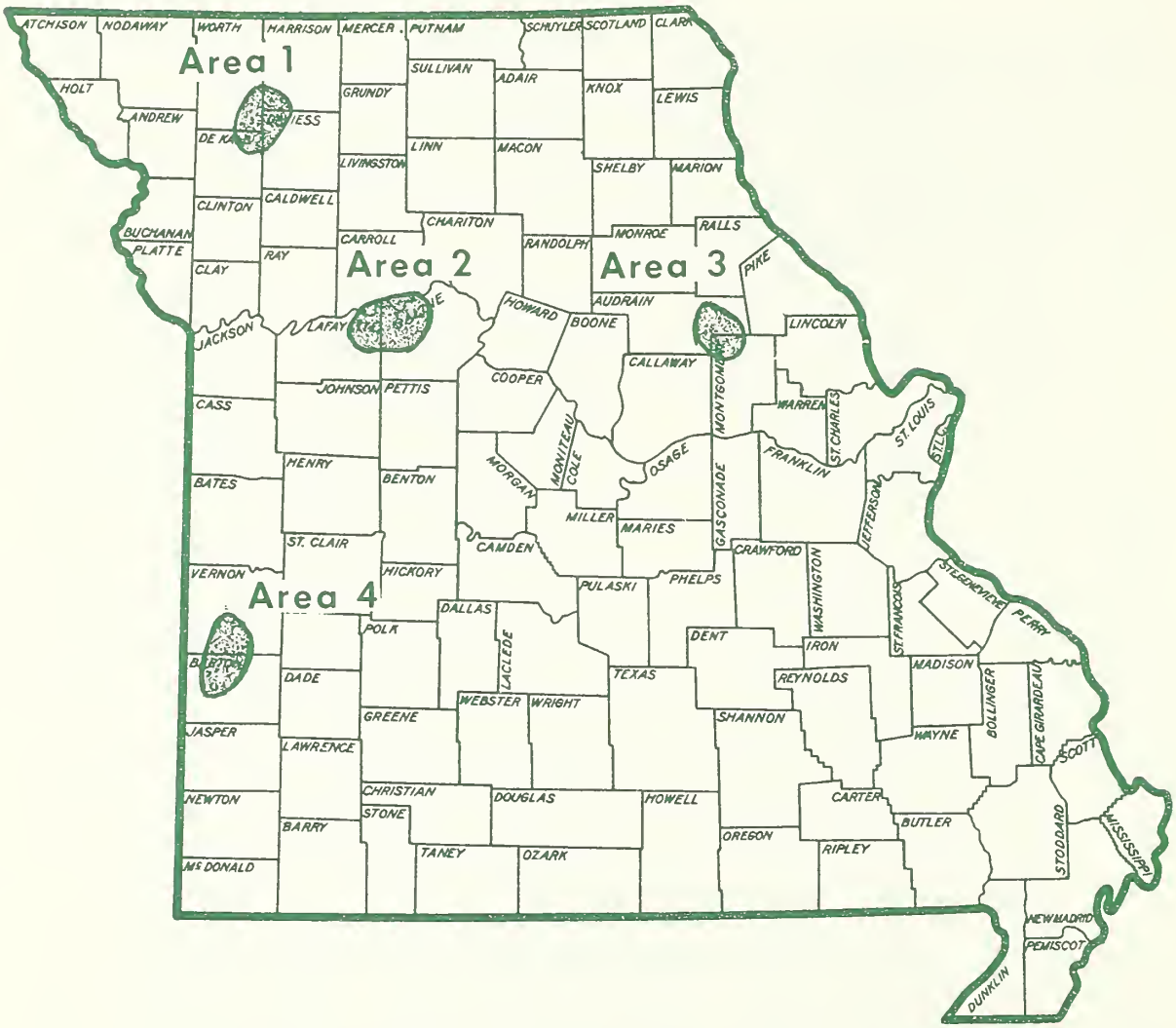
Table 1. - *Tenure status of Missouri farmers interviewed, by area, 1957-58*

Area	Tenant	Owner	Both[1]	Total
		Number of farmers		
I	8	34	7	49
II	18	24	8	50
III	6	33	10	49
IV	12	23	13	48
Total	44	114	38	196

[1]Operates farm unit as owner and tenant.

Figure 2

Location of Areas in the Study



What Factors Affect Off-Farm Grain Movement?

Farmers in each area were asked about their off-the-farm grain marketing. Questions dealt with production, percent of grain moved off farms, elevator services and facilities, importance of speed in unloading versus price, hauling distance and its effect on price, and sales to truckers.

Grain Volume

The amount of grain moving during the harvest season affects the price paid the farmer, the storage space available, and the various costs elevator operators must incur if they expect to get a large enough volume to make their business worthwhile.

Farmers in Area I indicated they moved 88 percent of their grain volume off the farm for sale or storage during the harvest season; Area II, 43 percent; Area III, 57 percent; and Area IV, 81 percent (table 2).

More farmers produced and moved wheat off the farm than any other grain in 1957-58. Soybeans ranked second except in Area II; there corn was second (table 3). However, not all the farmers in any area produced the same grain and moved it off the farm for sale or storage.

Many farmers moved wheat and soybeans off the farm for two reasons: (1) These are cash crops rather than feed grains; and (2) they lacked storage space. Other than for seed, there is little farm need at present for wheat and soybeans until they are processed.

Table 2. - *Percent of grain moved off Missouri farms during and after harvest, by area, 1957-58*

Area	During harvest	After harvest
	Percent of grain	
I	88	12
II	43	57
III	57	43
IV	81	19
All areas	61	39

Table 3. - *Percent of Missouri farmers interviewed who produced and moved grain off the farm, by area and type of grain, crop year 1957-58*

Area	Type of grain			
	Wheat	Corn	Soybeans	Other[1]
	Percent of farmers			
I	86	22	73	45
II	88	60	48	54
III	94	41	86	24
IV	98	35	50	40
All areas	91	40	64	41

[1]Includes oats and grain sorghum.

Buyer's Facilities, Services, Location

The facilities and services a buyer offers are important considerations to farmers with grain to market. A buyer's location and accessibility are other significant factors.

Facilities and Equipment

Some elevator structures and grain handling equipment in the areas studied were modern and efficient; some were older and less efficient. Most elevators included other operations such as cleaning grain, shelling corn, grinding and mixing feed, and selling farm supplies.

Storage capacity of individual elevators varied widely. In Area I storage capacity ranged from an estimated 32,000 to 220,000 bushels. In Area II the range was 25,000 to 322,000 bushels; in Area III from 12,000 to 1,040,000 bushels, and in Area IV from 15,000 to 550,000 bushels.

Unloading equipment and type of facilities varied somewhat by areas. Following is a brief description of the type of elevator in each area that farmers thought provided the best unloading service.

In Area I, facilities mentioned most frequently offered flat as well as upright storage. Some storage units were old but many had been built since 1950. Unloading equipment consisted of one to three legs rated at 2,000 to 3,000 bushels an hour with a dump pit for each. Capacity of dump pits ranged from 100 to 300 bushels. Overhead hoists were used in dumping grain. The facilities usually had double driveways. Scales were 40 to 50 feet long with a 25- to 50-ton capacity and were equipped with a ticket stamping device.

In Area II, the elevator operators mentioned most often had facilities constructed of concrete and wood, with double driveway. Each facility had two to six legs with a dump pit for each. Legs had a rated capacity of 1,500 to 5,000 bushels an hour and capacity of dump pits varied from 500 to 1,500 bushels. Overhead hoists were used in dumping grain from vehicles into pits. Most scales were 50 feet long with a 25- to 50-ton capacity and were equipped with a ticket stamping device.

In Area III, the elevators regarded most favorably were concrete and steel facilities built since 1945. They provided a single driveway equipped with an overhead hoist. Unloading equipment consisted of one to five legs with rated capacity of 2,200 to 5,000 bushels each. They had one or two dump pits, depending upon the size of the facility, with rated capacity of 200 to 1,000 bushels each. Scales varied from 34 to 40 feet in length with an approximate capacity of 25 to 50 tons. They were equipped with a ticket stamping device.

The facilities mentioned most often in Area IV were either concrete or metal clad wooden elevators built since 1949. Unloading equipment consisted of two legs with rated capacity between 500 and 8,000 bushels an hour. Capacity of dump pits ranged from 200 to 700 bushels. Each used an overhead or hydraulic hoist and a double driveway to receive grain. Scales were equipped with ticket stamping devices. They varied from 34 to 60 feet in length with a capacity of 20 to 50 tons.

Speed of Unloading Versus Price

The speed with which grain is unloaded is a foremost consideration with both farmers and elevator operators. To the farmer, a few days lost during harvest may mean the difference between harvesting and selling high quality or inferior grain. This, in turn, may mean the difference between a profit or a loss for his operation.

Farmers were asked how much price discount per bushel they would be willing to take in order to get their grain unloaded immediately.

Only a few farmers indicated they would be willing to accept a discount if they had to wait 15 minutes. As waiting time increased, more farmers in each area would be willing to accept a lower price per bushel if they could unload immediately (table 4).

Speed in unloading is important to elevator operators also if they want to obtain adequate volumes of grain.

In 1957-58, during harvest, approximately one-third of the grain receipts at local elevators in the areas studied fell in the 50.1 to 100 bushel load group (table 5). An estimated 78 percent was

Table 4. - *Percent of Missouri farmers willing to accept a price discount per bushel during harvest to get grain unloaded immediately when expected waiting time is 15, 30, 45, 60, and 120 minutes, by area, 1957-58*

Area	Waiting time	Not willing to accept discount	Percent of farmers willing to accept various cents per bushel discount				
			1/2¢	1 to 1 1/2¢	2 to 2 1/2¢	3 to 3 1/2¢	4¢ and over
	Minutes		*Percent of farmers*				
I	15	100	-	-	-	-	-
	30	94	6	6	-	-	-
	45	94	6	6	-	-	-
	60	78	22	20	6	2	-
	120	76	24	24	6	-	-
II	15	94	6	6	4	-	-
	30	86	14	8	4	4	2
	45	78	22	14	4	4	4
	60	62	38	28	10	4	4
	120	50	50	46	16	2	2
III	15	92	8	6	2	-	-
	30	84	16	4	-	-	-
	45	84	16	4	-	-	-
	60	59	41	35	4	-	-
	120	55	45	41	23	6	2
IV	15	100	-	-	-	-	-
	30	81	19	10	4	-	-
	45	71	29	23	6	-	-
	60	25	75	60	23	-	-
	120	25	75	69	36	15	6

Table 5. - *Size of grain loads received by 27 Missouri elevators by area, 1957-58*[1]

Area	Load size, bushels				
	0 - 50	50.1 - 100	100.1 - 150	150.1 - 200	Over 200.1
	Percent of loads				
I	25	34	17	12	12
II	24	36	15	12	13
III	21	33	17	13	16
IV	42	32	14	7	5
All areas	29	33	16	11	11

[1]Area I, 5 elevators; Area II - 7; Area III - 7; Area IV - 8.

within the 150-bushel load size category. This indicates that an elevator should be equipped to handle grain delivered in at least 150 bushel lots.

Accessibility of Elevator

The distance a farmer must travel to deliver his grain has some influence on his selection of an elevator. Also many farmers hauled grain to the elevator in half-ton trucks and farm wagons with tractors. This type hauling usually makes it uneconomical to travel long distances.

The study revealed that 47 percent of the farmers interviewed in Area I lived within 6 miles of the nearest elevator. In Area II, 82 percent were within 6 miles; Area III, 70 percent; and Area IV, 98 percent (table 6). However, farmers did not necessarily deliver to the nearest elevator.

To check the comparative importance of distance and price, farmers were asked how many additional miles they would be willing to haul for an increase in price during and after harvest. There was some

Table 6. - *Distribution of Missouri farmers by distance from nearest elevator, by area, 1957-58*[1]

Miles from elevator	Areas				
	I	II	III	IV	All areas
	Percent of farmers				
0 - 2	10	18	10	21	15
2.1 - 4	16	42	33	46	34
4.1 - 6	21	22	27	31	25
6.1 - 8	29	8	24	2	16
8.1 - 10	12	6	4	-	6
10.1 - 12	8	4	2	-	3
Over 12	4	-	-	-	1

[1]Farmers did not necessarily deliver grain to the nearest elevator.

Table 7. - *Percent of Missouri farmers willing or unwilling to haul grain additional miles for an increased price, during and after harvest, by area, 1957-58*

Area	During and after harvest	Additional price per bushel	Unwilling to haul additional miles	Percent of farmers willing to haul various additional distances						
				0.1 to 2 miles	2.1 to 4 miles	4.1 to 6 miles	6.1 to 8 miles	8.1 to 10 miles	10.1 to 12 miles	Over 12 miles
		Cents		*Percent of farmers*						
I	During	1/2	100	-	-	-	-	-	-	-
	After	1/2	98	2	2	-	-	-	-	-
	During	1	88	12	12	10	4	4	2	2
	After	1	84	16	16	12	6	4	2	2
	During	2	78	22	22	18	10	10	4	4
	After	2	76	24	24	22	14	12	4	4
II	During	1/2	98	2	-	-	-	-	-	-
	After	1/2	86	14	4	2	-	-	-	-
	During	1	70	30	10	4	-	-	-	-
	After	1	60	40	32	8	2	2	-	-
	During	2	54	46	42	20	8	8	4	4
	After	2	42	58	54	48	16	14	4	4
III[1]	During	1/2	80	20	6	6	-	-	-	-
	After	1/2	80	20	8	6	-	-	-	-
	During	1	49	51	30	20	8	8	-	-
	After	1	52	48	36	26	16	12	-	-
	During	2	39	61	57	51	30	24	12	10
	After	2	41	59	57	55	36	32	20	16
IV	During	1/2	88	12	8	6	2	2	-	-
	After	1/2	75	25	10	8	2	2	-	-
	During	1	50	50	42	29	10	8	2	2
	After	1	42	58	54	43	22	16	10	10
	During	2	23	77	73	65	46	33	10	10
	After	2	19	81	77	73	56	48	19	17

[1]10 percent of the farmers hired truckers. These are recorded in "Unwilling to haul additional miles."

Table 8. - *Price Missouri farmers would accept from truckers compared with elevator price, by area, 1957-58*

Area	Trucker's price			No response
	Less than elevator	Same	More than elevator	
	Percent of farmers			
I	24	25	6	45
II	24	48	2	26
III	12	65	19	4
IV	25	35	2	38
All areas	22	43	7	28

variation among farmers in different areas in the price increase they would require.

No farmers in Area I were willing to haul additional miles for an increase of one-half cent a bushel during harvest. However, 2 percent of the farmers in Area II, 20 percent in Area III, and 12 percent in Area IV indicated they would haul farther for an increase of one-half cent a bushel (table 7). Willingness to haul additional miles during harvest probably would be affected by load size, type and condition of roads, yield per acre, location of buyer, time, and distance to the nearest elevator.

More farmers were willing to haul longer distances after harvest for a higher price. In Area I, 2 percent of the farmers indicated they would haul up to 2 miles farther for a one-half cent increase; Area II, 14 percent; Area III, 20 percent; and Area IV, 25 percent. As distance increased, the percent of farmers willing to haul added miles decreased.

Selling grain to truckers at the farm would save time and hauling costs. However, farmers often hesitate to do this because of the absence of scales for weighing and possible difficulties in making settlement.

Farmers were asked what price they would accept from truckers, as compared to elevator prices. In each area, the largest percent of the farmers who answered the question said they would want the same price from truckers as that paid by local elevator (table 8).

How Important Are Individual Factors?

Farmers in each area were asked to appraise and rate 17 factors as to their importance in influencing decisions on the movement and marketing of grain. Elevator operators in each area were asked to rate the factors as to importance in influencing farmers to deliver grain to them rather than to competitors.

Tables 9 and 10 show that the two groups did not agree on the importance of various factors.

Each factor listed in the tables will be discussed briefly in this section. However, no factor can be regarded as standing completely alone, divorced from all

Table 9. - *Factors Missouri farmers considered important in choosing an elevator, by area, 1957-58*

Factors	Percent of farmers rating factor important				
	Area I	Area II	Area III	Area IV	All 4 areas
			Percent		
Price	75	76	73	75	75
Speed of unloading	70	54	62	82	66
Storage service	20	34	39	21	29
Sideline service	18	34	18	25	24
General farm information	20	24	4	10	15
Managers	57	76	26	41	50
Employees	45	50	16	21	33
Buy on contract	4	8	8	-	5
Fair treatment	63	64	34	33	49
Grain settlement	45	62	2	10	30
Proper grades	63	62	44	41	53
Satisfactory weights	49	58	34	25	42
Credit available	-	10	6	21	9
Distance to elevator	69	82	70	85	76
Type of road	63	64	12	29	43
Cooperative elevator	57	64	30	27	45
Other trading in town	24	36	8	25	24

Table 10. - *Factors Missouri elevator operators considered important to farmers in reaching a decision to deliver grain to them, by area, 1957-58*

Factors	Percent of elevator operators rating factor important				
	Area I	Area II	Area III	Area IV	All 4 areas[1]
			Percent		
Price	100	100	71	87	89
Speed of unloading	100	100	43	100	86
Storage service	40	100	58	62	66
Sideline service	100	100	29	100	82
General farm information	100	71	29	50	60
Managers	100	86	43	75	74
Employees	100	72	43	62	67
Buy on contract	80	14	43	12	33
Fair treatment	100	100	43	87	82
Grain settlement	100	72	29	25	52
Proper grades	100	100	86	100	97
Satisfactory weights	100	85	57	62	74
Credit available	80	28	-	50	37
Distance to elevator	100	57	29	12	44
Type of road	100	100	29	25	60
Cooperative elevator	60	72	29	24	44
Other trading in town	100	100	29	62	70

[1]Area I - 5 elevators; Area II - 7; Area III - 7; Area IV - 8.

others. They are all interrelated; a farmer's or elevator operator's feelings concerning one factor are almost certain to affect his feelings on others.

Most of the comments given here were made by farmers.

Price and Contract Selling

The study indicated --
75% of farmers
89% of elevator operators
considered price important in determining the place of grain delivery.

Three of every four farmers viewed favorable prices as being of utmost importance. This problem of price was one that was continually reviewed by both farmers and elevator operators. Most farmers subscribed to the general policy that the local elevator, whether cooperative or other, should be in a competitive price position with the elevators in the trade area.

Of course, it must be remembered that price depends on a wide variety of conditions, such as speed of unloading and existing obligations of the elevator operator on outstanding contracts.

Contract selling appeared of minor importance to the farmer.

The study indicated --
5% of the farmers
33% of the elevator operators
considered contracting grain an influential factor in determining the place of grain delivery.

Most elevators surveyed would contract grain if the farmers wanted them to do so.

Since such a small percent of the farmers considered contract selling important, they were asked if they had recently contracted to sell grain ahead of harvest. In reply, 31 percent of the farmers in Area III said they had; 16 percent in Area I; and 10 percent in Area II. In Area IV, none of the farmers had.

Speed of Unloading

The study indicated --
66% of the farmers
86% of the elevator operators
considered speed of unloading important in the selection of an elevator.

Farmers like to get their grain unloaded as quickly as possible, especially during harvest. They like elevators that have convenient approaches and exits. They appreciate employees making visible efforts to unload rapidly. During the harvest season, they like the elevator to be open extra hours.

The discussion earlier in this report on speed of unloading versus price pointed out that facilities equipped with different types and capacities of unloading equipment were mentioned most often by farmers as providing the quickest service.

Storage Services

The study indicated --
29% of the farmers
66% of the elevator operators
considered the storage factor important in influencing the place of grain delivery.

Farmers were asked if they had used elevator storage in the last 5 years. Fifty percent of the farmers in Area IV replied that they had; 45 percent in Area III, 42 percent in Area II, and 16 percent in Area I.

Actually, many farmers did not know what storage services local elevators offered. Some were not aware that local elevators would obtain storage for their grain at terminals or subterminals. Some thought their grain was stored locally when it was stored elsewhere.

Many small elevator facilities in the different areas were used primarily for merchandising and processing grain for marketing. This was especially true during harvest. Some of the larger facilities had storage space available for the farmer to rent. The cost of storage was based on the number of days, amount and type of grain stored.

Sideline Services

The study indicated --
24% of the farmers
82% of the elevator operators
considered sideline services important in determining the place of grain delivery.

Some farmers said they liked to return with a load of farm supplies from the elevator to which they hauled grain. Other farmers said they would haul their grain to the same elevator whether or not it handled sidelines. Several indicated they were in the habit of buying sidelines from a particular elevator and would hesitate to change.

Since so many elevator operators considered sidelines important, they were asked what they thought would happen to their grain volume if they discontinued sideline sales and services and provided only grain handling and storage. Most elevator operators thought receipts would decrease; a few felt that there would be no change in volume.

Another question concerned the importance of credit for sideline supplies.

The study indicated --
9% of the farmers
37% of the elevator operators
considered credit important in determining the place of grain delivery.

Farmers reported that nearly all the elevators in their area would grant credit. The length of time for which credit was granted depended upon the supplies purchased. Some elevators had a credit policy of between 15 and 30 days. Others extended credit on feeding contracts, or from one crop to the next.

Obviously, there was some difference of opinion between elevator operators and farmers as to the importance of sideline operations and of granting credit.

Elevator Managers and Employees

The study indicated --
50% of the farmers
74% of the elevator operators
considered the manager an influential factor in determining the place of grain delivery.

Farmers in the different areas offered various comments concerning elevator managers. Some were: Liked to be greeted by the manager when they entered

the elevator; preferred to do business with a local man who had a good reputation; trusted local man; hesitated to do business with strangers; and wanted manager around when they needed him.

Many farmers said they did not depend on the elevator manager for much general farm information. However, the tendency to seek information from the manager was greater when the elevator handled farm supplies and provided other services.

> The study indicated --
> 15% of the farmers
> 60% of the elevator operators
> considered general farm information important in choosing a grain buyer.

Some methods managers used to disseminate general farm information were annual meetings, personal contact, feed salesmen, direct mailing lists, and advertisements.

Farmers, like everyone else, want prompt and courteous service. Some indicated that a few elevator employees were slow, rendered poor service, and showed no interest in them. Several mentioned that they preferred having men rather than young boys wait on them and grade their grain.

> The study indicated --
> 33% of the farmers
> 67% of the elevator operators
> considered employees important in influencing the place of grain delivery.

Approximately one-half the elevator operators interviewed in the four areas reported they had problems in customer-employee relationships. Several managers said that from time to time they instructed their employees on customer relations in an effort to resolve some of the difficulties. Usually, this occurred only when the manager noticed problems developing.

The treatment a farmer receives at an elevator may determine whether he continues to deliver his grain there.

> The study indicated --
> 49% of the farmers
> 82% of the elevator operators
> considered fair treatment important in influencing the decision on grain delivery.

Several farmers said they had more confidence in a cooperative because it was run for their benefit.

The elevator operators mentioned that grading was their biggest problem, followed by price, in trying to treat everyone the same.

Grades, Weights, and Settlement

> The study indicated --
> 53% of the farmers
> 97% of the elevator operators
> rated proper grades important in the decision on grain delivery.

Farmers are aware that grading practices may vary among elevators. Many felt that several probes for each load were necessary to get a representative sample. Others said the elevator operator should sample grain occasionally and be more lenient in grading. Some thought the elevator should not dock them if the grain could be blended with other grain. Several farmers felt they should receive a premium for high quality grain

and discounts on lower quality. These were only a few of the comments received.

As previously mentioned in discussing "fair treatment," the problem of grades was the most troublesome elevator operators faced in buying grain.

> The study indicated --
> 42% of the farmers
> 74% of the elevator operators
> rated satisfactory weights important in influencing the decision on grain deliveries.

Most farmers interviewed trusted the elevator scales. However, many of them compared weights of similar size loads among the elevators in the area. The better they knew the scale man, the more they trusted the weight. Several farmers said they preferred scales which stamped the weight on a ticket. They thought there was too much chance for error if the scale man wrote the weight on the ticket.

Approximately two out of three elevator operators in the different areas had scales equipped with a ticket stamping device.

> The study indicated --
> 30% of the farmers
> 52% of the elevator operators
> thought grain settlement influenced the decision on grain delivery.

Many farmers thought almost all the elevators had satisfactory grain settlement. Some farmers reported the local elevator gave them a grain book on their first delivery and recorded date, weight, grade, and price each time a load was received. In this way, the farmer knew at all times his exact situation in regard to his deliveries.

Distance to Elevator and Type of Road

> The study indicated --
> 76% of the farmers
> 44% of the elevator operators
> considered distance important in the delivery of grain
> and
> 43% of the farmers
> 60% of the elevator operators
> considered the type of road important.

Apparently farmers will patronize the closest elevator if other factors are comparable. Farmers with convenient access to more than one elevator consider the type of roads they must haul their grain over.

Some farmers would haul a longer distance for an increase in price (table 7). However, use of tractors and wagons in delivering grain limits the distance farmers can haul.

Several farmers disliked having to cross city traffic and would take grain to an elevator farther away to avoid traffic. Farm tractors and wagons are a problem on highways, especially if farmers must return home after dark.

Business - Cooperative or Other

> The study indicated --
> 45% of the farmers
> 44% of the elevator operators
> considered type of elevator (cooperative or other) an influential factor in determining the place of delivery.

To some farmers "the cooperative way" is a family tradition. They deliver grain to the cooperative elevator because they have a share in the business.

Many farmers preferred to have at least two grain buyers in town - one a cooperative elevator, the other not. They believed this helps keep a check on the price of grain they sell and farm supplies they buy.

In general, farmers interviewed did not appear to be well informed on the cooperative method of doing business. Many were not aware of the basic principles of cooperation. To these, a cooperative was just another place to do business.

Other Trading in Town

The study indicated --
24% of the farmers
70% of the elevator operators
consider other trading in town important in determining the place of grain delivery.

During the harvest season, marketing their grain is uppermost in the minds of farmers. They do not consider trading in town for such items as groceries, clothing, and farm supplies as being extremely important at that time.

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Other Publications Available

Using Your Co-op Elevator. Educational Circular 8.

Cooperative Country Elevators in Montana. General Report 64. Francis P. Yager.

Pendleton Grain Growers - An Integrated Cooperative. General Report 79. Beryle E. Stanton.

Economics of Grain Drying at Kansas Local Elevators. Marketing Research Report 449. J. C. Eiland and L. Orlo Sorenson.

Wheat Storage - a Study of Conditioning and Quality Maintenance Practices and Costs at Kansas Local Elevators. Kansas Agricultural Experiment Station Bulletin 399. L. Orlo Sorenson and Stanley K. Thurston. (Copies available from Farmer Cooperative Service.)

New Country Elevators - Influence of Size and Volume on Operating Costs. Circular 10. Thomas E. Hall.

A copy of each of these publications may be obtained while a supply is available from --

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Farmer Cooperative Service
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